

September 18, 2025

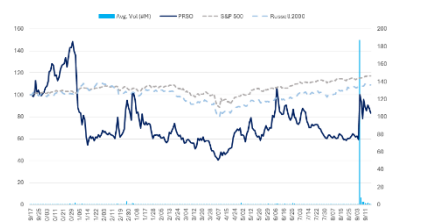
COMPANY AT A GLANCE

Address	2033 Gateway Place, Suite 500 San Jose, California 95110
Website	https://www.perasoinc.com
Industry	Semiconductors
Sector	Technology

KEY STATISTICS

Rating	VALUATION BUY
Current Price	\$1.15
Target Price	\$2.74
52 Week Range	\$0.5 - \$2.3
Mkt Cap (\$M)	9
Shares Out. (#M)	7
Short Int. (% Flt.)	0.18%
P/Book	0.26x
P/Sales	1.54x
Sales (CY'24)	\$14.57M
Sales (CY'25E)	\$11.9M
Insider / Instl.	0.11% / 13.51%

PERFORMANCE (vs. S&P 500)



Source: Factset, Data as of 09/18/25

CONTACT

Intro-act, LLC.

Please refer to disclaimers at the end of this report for more information about Intro-act, Inc.

Peraso Inc. (NASDAQ: PRSO)

Scaling Leadership in mmWave – From Design Wins to Market Share Gains, High-Margin Verticals Pave the Way to Break-Even

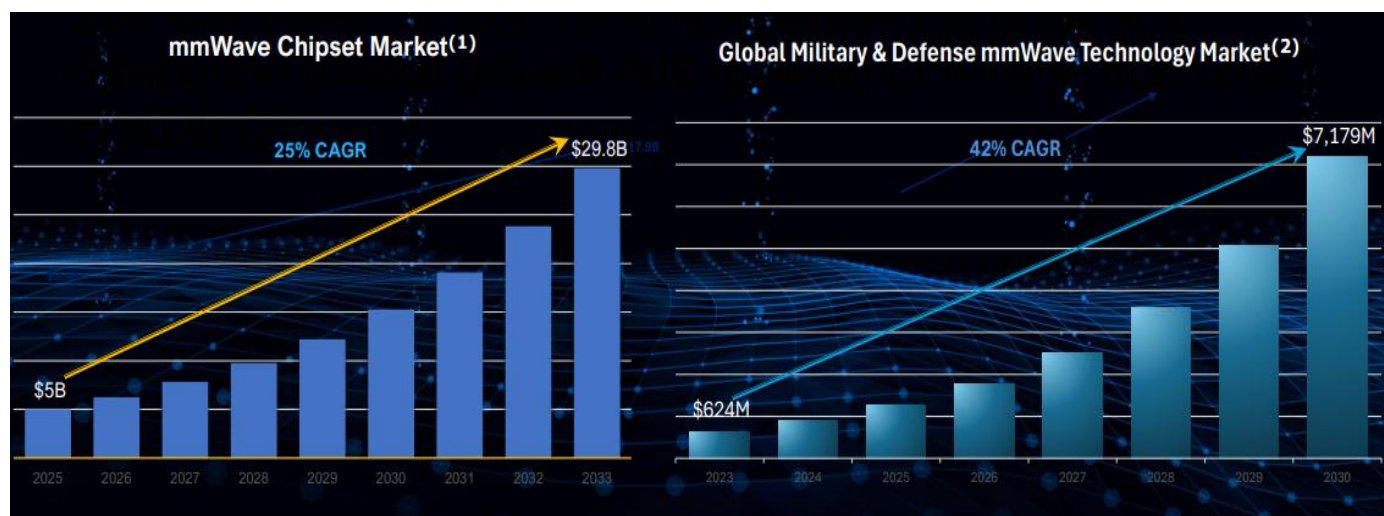
- **Peraso's mmWave is aimed at capitalizing on multi-year structural tailwinds** in Fixed Wireless Access (FWA), tactical defense communications, transportation, and professional video. Its technology portfolio spans high-performance RFICs, antenna modules, and baseband solutions, with penetration into FWA, defense, transportation, and professional video markets. These segments, while niche, present opportunities characterized by strong pricing power, limited competitive intensity, and the potential for sustained long-term structural growth.
- **Peraso's differentiation is its vertical integration.** The macro backdrop is compelling—global congestion in sub-6 GHz spectrum, government-led broadband expansion programs such as the \$42.45 bn BEAD initiative, and emerging defense requirements for secure, low-probability-of-detection communications all create fertile ground for adoption. The total addressable market for mmWave chipsets is projected at \$5 bn in 2025, with ~25% CAGR through 2033, and the defense sub-segment growing even faster at >40% CAGR to 2030. Management is positioning Peraso as one of the few vertically integrated suppliers in the 60 GHz space, with capabilities spanning RF, antenna, baseband, and software—a differentiator in a fragmented industry where several larger players have exited the 60 GHz segment.
- **A strong high-margin revenue pipeline.** The FY26 revenue target of \$10-12m is in high-margin mmWave segment as the legacy drag fully clears. We believe the investment case remains compelling, with near-term focus on improving liquidity and expanding the customer base, which would help reduce the impact of delivery delays or order shifts. If the company can successfully ramp its defense and FWA programs over the next 12–18 months, revenue visibility and scale could improve sharply, enabling a return to sustainable profitability. In that scenario, the valuation multiple could expand materially—especially if the market begins to price in the optionality of strategic alternatives. With the next two quarters proving critical, **we remain cautiously bullish**, viewing Peraso as a high-conviction niche play with significant leverage to execution success.
- Amid strong industry interest in high-frequency wireless technologies, Peraso's mmWave IP, engineering expertise, and vertical integration position it as a credible acquisition target. The company recently got an unsolicited takeover offer from **Mobix Labs** valuing it at about \$1.20 per share (20% premium) with a later cash-and-stock revision.
- We rate PRSO as a **BUY**, with a **Price Target of \$ 2.74**. Our DCF model for PRSO forecasts **average revenue growth of ~11.5% across FY'25, FY'26 and FY'27**, with sales increasing to \$18.38M by FY27. Using a WACC of 13.4% and a 3.0% perpetual growth rate, we calculate an equity value of \$10.04M, leading to a fair value of \$1.61 per share. Applying an average **EV/Revenue multiple of 1.5x** to FY26 sales of \$12.25M gives an enterprise value of ~\$18.36M, suggesting an equity valuation of ~\$20.12M, or \$3.23 per

share. Taking a 30:70 weightage between the DCF and comps valuations, **we arrive at a price target of \$2.74, implying an upside of ~139%.**

mmWave TAM Is Expanding Faster Than Legacy Bands Can Cope

- **The global mmWave chipset market is on the cusp of sustained expansion, driven by structural spectrum constraints and rising demand for high-capacity, low-latency connectivity.** This growth trajectory is not just a function of incremental bandwidth needs; it reflects a fundamental inflection point in how networks are architected. With sub-6 GHz spectrum increasingly congested, operators are being forced into higher-frequency bands to deliver performance that meets modern data consumption trends, from ultra-HD streaming to immersive AR/VR.
- **Peraso's strategic focus on the unlicensed 60 GHz band places it at the intersection of multiple tailwinds.** The FCC's anticipated auction of the upper 6 GHz band (6.42-7.125 GHz) is likely to push more wireless internet service providers (WISPs) toward 60 GHz deployments, given the cost efficiency and spectrum availability. This migration is further supported by policy shifts, such as the U.S. BEAD program's adoption of a technology-neutral funding approach, which opens the door for non-fiber broadband solutions to receive substantial subsidies. With over 4,000 BEAD applications submitted by March 2025, the addressable market for Peraso's fixed wireless access products is poised to expand significantly over the next 24–36 months.
- **The opportunity extends well beyond North America.** Emerging market urban centers, particularly in Africa and Asia, are confronting acute connectivity deficits where fiber rollouts are prohibitively expensive and logistically complex. Peraso's "DUNE" platform is tailored for such high-density, high-interference environments, already demonstrating traction in deployments in South Africa and Kenya. By offering multi-gigabit speeds with relatively low capital expenditure per connection, the company's solution directly addresses the challenge of connecting the more than 2.6 bn people still offline worldwide.
- **The defense sector provides an additional, distinct growth avenue.** The military mmWave segment is driven by requirements for secure, low-probability-of-intercept communications. These mission-critical applications align well with Peraso's expertise in stealth, beamformed links, and high-frequency hardware integration. The company's design wins in tactical communications are an early validation of its ability to serve this niche, where gross margins can exceed those in commercial deployments due to specialized performance requirements and longer product lifecycles.

Chart 1: Global mmWave Chipset Market Poised for Strong Expansion, Defense Driving Accelerated Growth



Source: Company Presentation, Market Report Analytics, Millimeter Wave Chipsets in Focus: Growth Trajectories and Strategic Insights 2025-2033, July 2025, Grand View Research, Global Millimeter Wave Technology Market, 2025

- **Peraso operates in a market where both volume growth and margin potential are structurally expanding.** The dual focus on underserved broadband markets and defense-grade communications, underpinned by a robust IP portfolio and vertical integration, creates a differentiated platform to capture the accelerating shift toward mmWave connectivity.

Defense Wins Provide Strategic Validation and Margin Upside

- **Peraso's market approach is anchored in four key verticals: fixed wireless access (both rural and urban), tactical communications, transportation, and professional video delivery.** While each vertical has unique dynamics, FWA and defense are emerging as the most immediate and lucrative. The fixed wireless opportunity has been strengthened materially by recent U.S. policy changes. The BEAD program's \$42.45 bn funding pool, combined with its move toward technology-neutral allocations, enables 60 GHz FWA solutions to compete directly with fiber for subsidy dollars. This is a pivotal shift, as prior subsidy structures heavily favored wired deployments. Notably, deployments by Peraso customers in Los Angeles and other urban centers worldwide demonstrate the viability of its mmwave solutions in dense urban grids, where interference and building penetration challenges have traditionally limited wireless solutions. The platform's integration of RF, antenna, baseband, and software enables rapid deployment and lower total cost of ownership, enhancing its competitiveness against both fiber and sub-6 GHz alternatives.
- Importantly, the **company's competitive differentiation in all four verticals is reinforced by its pledge to provide long-term service for its 60 GHz ICs** — a commitment unmatched by other mmWave hardware IC providers like Qualcomm, Lattice Semiconductor, and Sivers, whose products are reaching end-of-life. This support pledge reduces OEM risk, making Peraso a preferred partner for customers who require stable supply over multi-year product cycles. Taken together, the combination of policy-driven market expansion in FWA, high-margin defense applications, and diversification into adjacent verticals positions Peraso to leverage its technology across multiple growth channels. The key challenge remains execution: converting design wins and early deployments into recurring, scalable revenue while maintaining operational discipline in a constrained liquidity environment.
- **In the defense and aerospace markets, Peraso's engagement goes beyond opportunistic bids.** The company is building capabilities that directly address the stringent requirements of tactical communication systems — low latency, high reliability, and resistance to detection or jamming. The projected >40% CAGR in military mmWave spending through 2030 reflects a global recognition of the need for secure, high-bandwidth links in modern warfare and reconnaissance. Notably, Peraso's design wins and initial shipments in Q2 2025 signal an entry point into a segment where contracts often span multiple years, providing revenue stability and margin uplift. **The professional video delivery vertical, while smaller in near-term revenue potential, serves as a proving ground for the company's high-throughput, low-latency capabilities.** Similarly, transportation-related use cases — such as train-to-station communication and in-vehicle data links — provide opportunities for long-term embedded solutions that can scale as adoption rates increase. These verticals also diversify Peraso's end-market exposure, mitigating the inherent cyclicity of any single segment.
- **From a strategic positioning perspective, defense market credibility has spillover benefits into other verticals.** The rigorous testing, compliance, and delivery performance required by military customers can serve as powerful reference cases in negotiations with commercial and enterprise clients. In fixed wireless access (FWA) and private network opportunities, especially in critical infrastructure sectors, proven defense-grade reliability can be a differentiator against competitors offering lower-cost, less robust solutions.
- **The company's ability to secure and deliver on military contracts is not only a revenue opportunity, but also a strategic validator of its platform's robustness, security, and reliability.** Defense clients require solutions that perform under extreme environmental conditions, with high resilience to interference and jamming, and with compliance to strict communication security protocols. Peraso's early wins in this segment — including

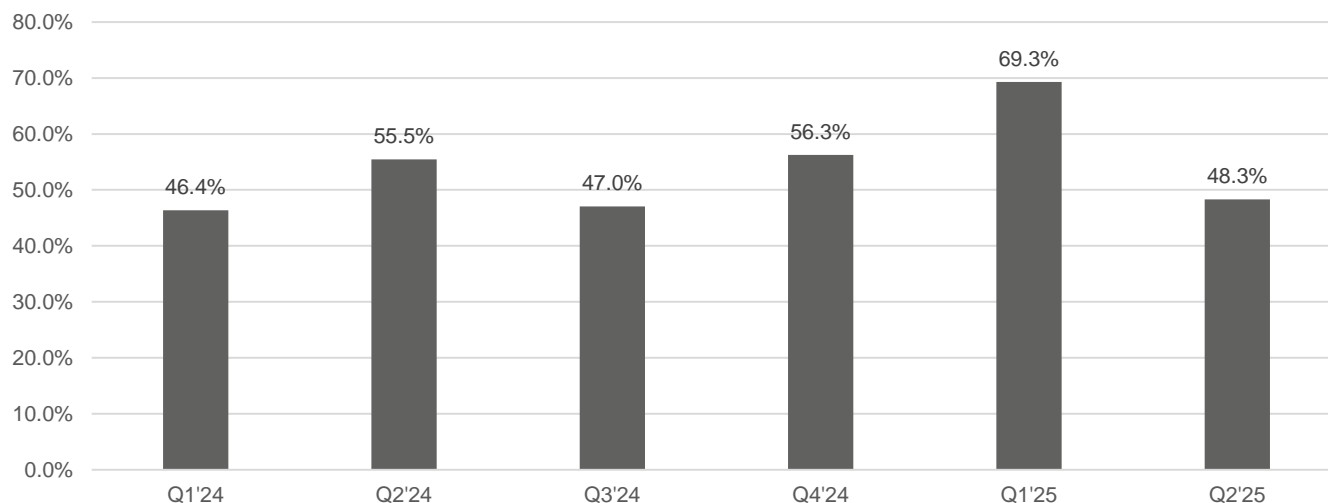
recent orders from an undisclosed defense contractor — underscore the competitiveness of Peraso's products in scenarios where performance and security are non-negotiable.

- **Financially, we believe the defense segment carries the potential to structurally lift Peraso's gross margins.** Defense contracts typically command higher ASPs and more favorable cost structures compared to commercial deployments, especially when bundled with custom engineering or long-term service commitments. In Q2 2025, first shipments for these contracts began, and while volumes were modest, management has indicated that production will scale through H2 2025. A meaningful ramp could counterbalance the revenue loss from the discontinued memory-IC line and provide higher margins near the 65–70% range, even at relatively low absolute sales volumes.
- However, defense programs also carry execution challenges. Contract terms may involve complex milestone-based payments, which can delay cash inflows relative to production outlays. The need for specialized manufacturing and testing can also absorb significant working capital upfront. In Peraso's case, these factors mean that while defense orders are margin accretive in the long run, they can exacerbate near-term liquidity strain if not matched by timely customer payments or financing arrangements. Ultimately, **we opine that the defense vertical should be viewed as both a growth and a reputational asset for Peraso.** If management can execute flawlessly on its current contracts and secure multi-year follow-ons — potentially with larger program budgets — this segment could become a stabilizing anchor in the company's revenue mix, mitigating the inherent volatility of smaller commercial accounts.

From Memory-IC Exit to mmWave Pureplay: A Transitional Revenue Base

- **Peraso's transformation from a diversified semiconductor player into a focused mmWave pureplay has been catalyzed by the exit of its memory-IC product line.** This shift was not voluntary — it followed TSMC's decision to discontinue the wafer process used for Peraso's memory chips, effectively forcing the company to cease production. All end-of-life shipments were completed by March 2025, eliminating what had historically been a high-margin revenue source. In FY 2024, memory-IC sales accounted for roughly 38% of H1 revenue, down from an even more dominant 86% in H1 2024. The absence of this contribution has created a sharp near-term contraction in total revenue, but also removes the distraction of a legacy segment misaligned with the company's strategic growth areas.
- **The transition has been reflected in reported results.** While Q1 2025 revenue rose 42% y/y to \$3.9M—driven by growth in mmWave IC and module shipments—that headline figure obscures a more fundamental transition. By Q2 2025, all reported revenue (\$2.2M) was derived from mmWave products, marking a clean break from the past and setting the stage for a volume-led ramp as new customer shipments begin.

Chart 2: Peraso Has Maintained Gross Margins at an Attractive Level



Source: Intro-act, From the Desk, Company Filings

- This transformation, however, has implications for operating leverage and cash flow. The memory-IC business, while legacy in nature, provided scale that helped absorb fixed costs. Its removal means Peraso must either grow mmWave sales quickly or maintain lean operations to prevent margin erosion from underutilized resources. **Management has taken steps to address this, cutting R&D by 37% year-over-year in Q2 2025 and SG&A by 34%.** These reductions reflect workforce downsizing, office space rationalization, and the elimination of amortization charges from customer-relationship intangibles. But they also risk constraining innovation and sales capacity — critical functions at a time when the company's technology is gaining market traction.
- **We believe reorientation toward mmWave is not without strategic advantages. It streamlines the company's positioning in the eyes of customers, investors, and potential acquirers.** It also aligns Peraso with secular growth drivers in both consumer and defense markets, while freeing management from the distraction of supporting a declining, commoditized product line. However, this clarity of focus brings heightened execution risk. In the absence of a diversified revenue base, any delay in fulfilling mmWave orders or securing new design wins can have a disproportionate impact on quarterly results. For a company with limited liquidity, this sensitivity is amplified.
- **In effect, Peraso's revenue base is in a compressed launch phase — one where a legacy tailwind has disappeared, and the new growth engine is still ramping.** The key question is whether the expanding order pipeline and favorable market conditions can generate sufficient top-line acceleration before liquidity constraints force strategic compromises. This will define whether the company's pureplay status becomes a valuation premium or a structural vulnerability.

Liquidity Clock is Ticking Despite Margin Stability

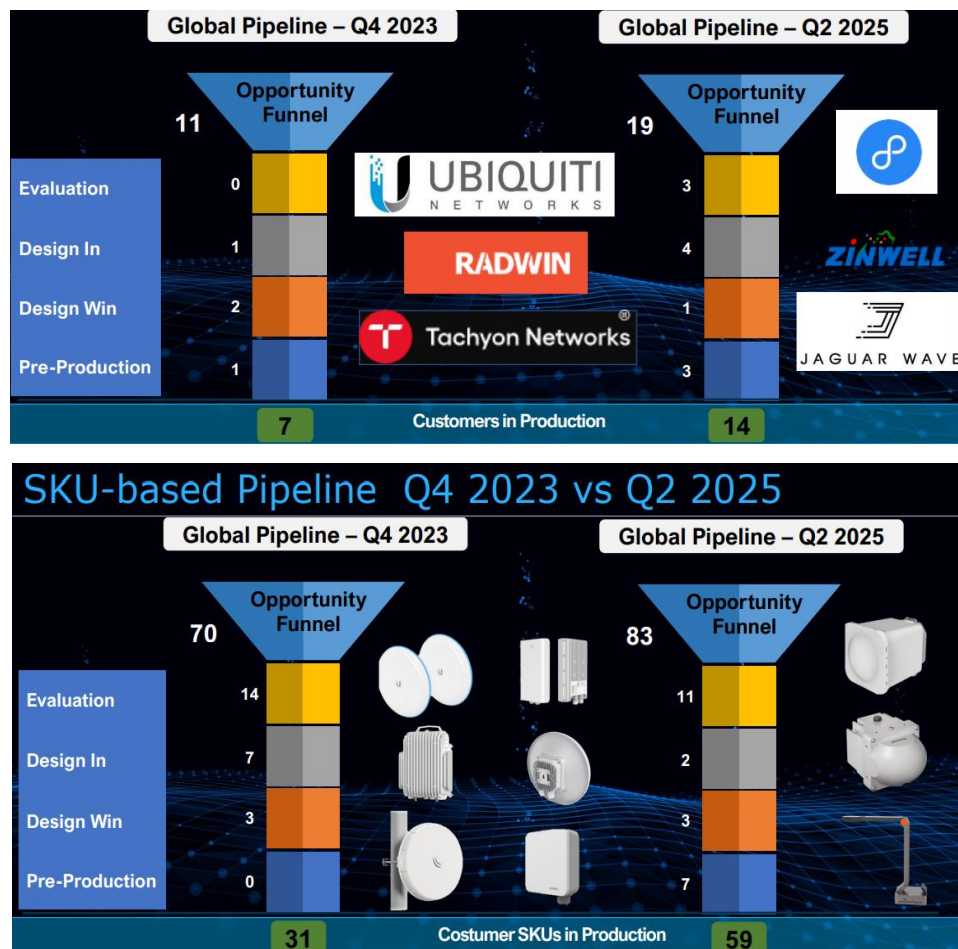
- **Peraso's current liquidity profile remains its most pressing near-term challenge.** As of Q2 2025, the company reported \$1.8 m in cash and equivalents, alongside working capital of roughly \$2.4 m. The company has entered a definitive agreement for the immediate exercise of Series C warrants, allowing investors to buy 952,380 shares at a reduced exercise price of \$1.18 per share. The deal is expected to generate about \$1.1 million in gross proceeds, earmarked for working capital and general corporate needs. With a half-yearly cash burn rate estimated near \$1.5 m, the existing balance sheet provides operational runway into Q1 2026. This timeline is tight, particularly in light of the company's stated intent to expand shipments and secure additional defense and FWA contracts — initiatives that require working capital for inventory procurement and production ramp-up.

- **Management has been proactive in reducing expenses to slow the burn.** Operating losses have through significant cuts to R&D and SG&A, as well as the completion of non-recurring amortization tied to discontinued product lines. Gross margins have remained resilient even after the loss of high-margin memory-IC sales, due to a more favorable mix of mmWave products and the company's vertically integrated design-to-production model. This stability suggests that Peraso's core business, once scaled, could operate profitably without drastic margin concessions.
- **On the riskier side, recent financing activities — including \$1.5 m in ATM stock sales in H1 2025, a \$3.4 m public offering in February 2024, and a \$2.6 m warrant inducement in November 2024 —** have provided temporary relief but are insufficient to fund a full-year operating plan. Moreover, equity raises at the current share price risk material dilution; the 1-for-40 reverse split in January 2024 restored Nasdaq compliance but reduced the share count, magnifying the impact of any new issuance on existing shareholders.
- **In short, Peraso's liquidity situation is a race between execution and financing.** If the company can convert its growing pipeline into near-term revenue and gross profit, it strengthens its hand in negotiating less dilutive funding or strategic partnerships. Conversely, delays or shortfalls could force capital raises under unfavorable terms, constraining its ability to fully participate in the accelerating mmWave growth cycle. This liquidity tension will remain a defining variable in the investment case over the next two quarters.

Pipeline Growth is Real, But Execution Risk is Non-Trivial

- Peraso's order pipeline has expanded meaningfully in the last 18 months. From Q4 2023 to Q2 2025, the number of customers in production increased from three to 14, and SKUs in active production rose from 59 to 83. This expansion reflects the company's success in securing design wins across its four target verticals, as well as increasing penetration within existing accounts. It also demonstrates market validation for Peraso's differentiated offering — vertically integrated 60 GHz ICs and modules with long-term support commitments at a time when competing products are being sunset.

Chart 3: A Snapshot of Peraso's Global Pipeline



Source: Company Presentation

- **Customer concentration remains high:** in Q2 2025, a single customer accounted for 32% of revenue and 71% of accounts receivable. This exposes Peraso to revenue volatility if delivery schedules shift, product acceptance is delayed, or competitive bids emerge. Supplier concentration also introduces operational risk. Top 2 vendors together represent roughly 43% of accounts payable, and the company has approximately \$3.1 m in non-cancelable purchase orders outstanding. In a tight liquidity environment, these commitments can strain cash resources if order timing and payment cycles do not align.
- Operationally, Peraso is navigating the complexities of scaling production for defense contracts — a process that demands rigorous compliance, reliability testing, and secure manufacturing practices. First shipments for these

contracts began in Q2 2025, but full ramp-up will require sustained investment in quality assurance and potentially additional certifications. Given the high-margin nature of defense orders, **we believe timely and flawless execution here is critical not only for revenue growth but also for sustaining gross margin performance.**

- The international nature of Peraso's deployments adds further execution layers. Logistics, customs clearance, and regional certification processes can delay revenue recognition and tie up working capital. In markets like Kenya and South Africa, where the "DUNE" platform is already deployed, scaling requires coordinated local partnerships to handle installation and support — **a model that can be capital-light if managed well, but operationally fragile if partners underperform.**
- In essence, **Peraso's pipeline represents a credible growth platform.** In our view, the key focus is not the existence of demand—which appears well-established—but rather the company's ability to align execution, working capital, and customer support infrastructure to effectively convert that demand into sustainable, recurring revenue streams. Success in this regard will hinge on operational discipline and access to sufficient funding to support the near-term scale-up.

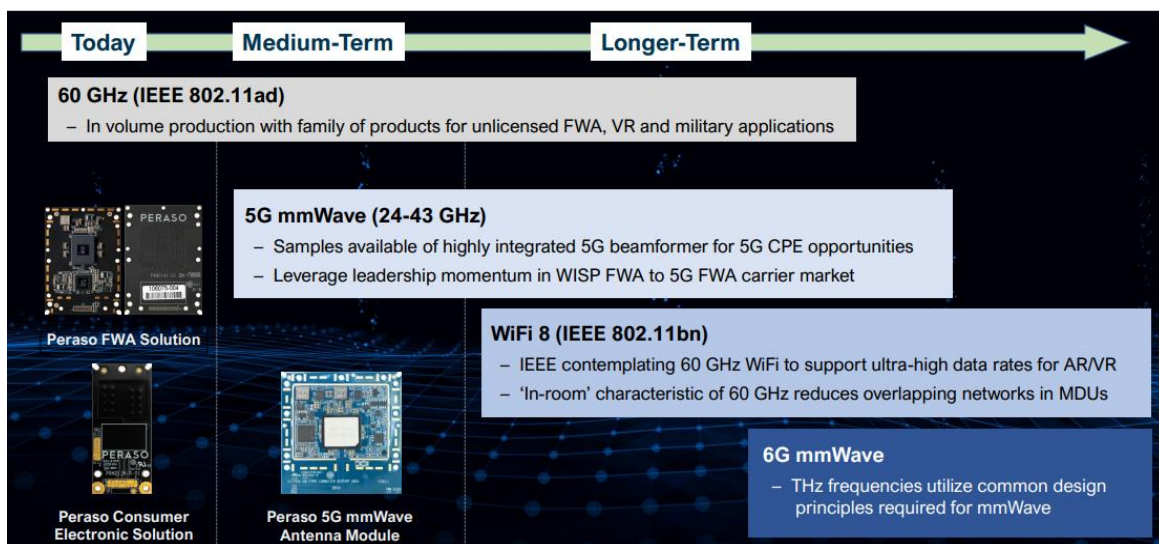
Fixed Wireless and Global Rural Connectivity Offer Scalable Demand

- **While defense contracts provide high-margin anchor business, the fixed wireless access (FWA) and rural connectivity markets represent the most scalable long-term demand opportunity** for Peraso's mmWave solutions. The company's "DUNE" platform is already deployed in markets such as Kenya and South Africa, where high-speed broadband infrastructure is scarce and mobile data networks are either congested or cost-prohibitive. In such markets, mmWave offers a compelling mix of capacity, speed, and cost efficiency, enabling rapid network rollout without the expense and delays of fiber deployment.
- **The FWA opportunity is not confined to emerging markets. In developed economies, mmWave is increasingly being considered for "last-mile" and "last-hundred-meter" applications,** particularly in suburban and semi-rural areas where extending fiber is uneconomical. Regulatory shifts, such as spectrum releases in the 57–71 GHz band, are expanding the addressable market. Peraso's early mover advantage in vertically integrated 60 GHz solutions — where it designs both ICs and modules — positions it to capture share as these deployments scale.
- **Strategic design win with Tachyon marks a meaningful inflection point in Peraso's fixed wireless momentum.** Recently, Peraso's PRM2141X 60 GHz mmWave module has been selected by Tachyon Networks for its **new TNA-303L-65 fixed wireless solution**, a ruggedized outdoor radio delivering **fiber-class gigabit speeds over 3 km** at low cost, with support for up to 48 clients and backward compatibility with Tachyon's existing systems. This design win positions Peraso as a strong player in the fast-growing Fixed Wireless Access (FWA) market, where high-speed, rapid-deploy broadband is increasingly critical in both urban and rural contexts. The collaboration highlights Peraso's product differentiation—compact, scalable, and cost-efficient—while aligning with its broader growth momentum, including surging mmWave revenues, new defense and education contracts, and over 2 million cumulative mmWave shipments. **The company expects revenue from Tachyon to be around 15% of the total revenue,** reinforcing investor confidence in Peraso's ability to drive recurring revenue and expand market share, with analysts already flagging the stock as an outperformer.
- Moreover, **the economics of mmWave in FWA are improving.** Advances in beamforming, antenna integration, and power efficiency have extended link distances and improved reliability in non-line-of-sight conditions, making the technology viable in more varied geographies. Peraso's management has repeatedly emphasized that its 60 GHz products can now support cost-per-bit economics competitive with fiber over certain deployment distances — a claim that, if validated at scale, could significantly broaden its market appeal.
- FWA deployments often involve multiple ecosystem partners — from ISPs and tower companies to systems integrators and local installers. Ensuring end-to-end performance requires coordination across these stakeholders. In Africa, Peraso has relied on partnerships with local deployment firms to manage installation and support, a

model that reduces capital intensity but adds dependency risk. Any breakdown in these partnerships can delay deployments and impact customer satisfaction.

- **The FWA and rural broadband segments remain among the most exciting demand drivers for Peraso.** The combination of global policy support for broadband expansion, improving mmWave economics, and the company's technology leadership creates a credible pathway to volume growth. If Peraso can secure anchor ISP partners and execute on high-visibility rollouts, this segment could evolve from opportunistic wins to a recurring, scalable revenue engine.

Chart 4: Positioning to be Leading Supplier of mmWave Silicon



Source: Company Presentation

M&A Optionality Is a Real — and Potentially Underappreciated — Catalyst

- **Peraso's strategic value is not limited to its standalone growth potential.** In an environment where large semiconductor and communications equipment players are actively seeking to expand into high-frequency wireless technologies, the company's mmWave IP portfolio, engineering team, and vertical integration capabilities make it a credible acquisition target. Management has acknowledged that it remains open to "strategic alternatives" and has engaged an advisor to explore such options.
- The rationale for an acquisition is straightforward. **Peraso offers ready-to-ship 60 GHz solutions at a time when several competitors have exited the space or scaled back investment.** For a larger player with established distribution channels, Peraso's product line could be integrated and scaled far more rapidly than the company could achieve alone. This is especially true in defense and rural broadband markets, where incumbents already have procurement relationships and deployment infrastructure.
- From an investor perspective, M&A optionality provides a parallel upside path that is decoupled from Peraso's liquidity constraints. If a well-capitalized acquirer sees strategic fit, the deal could be structured to deliver value to shareholders even if Peraso's standalone runway is limited. Given the IP-heavy nature of the business and the fact that much of the engineering team is already in place, the cost to replicate Peraso's capabilities internally would likely exceed the acquisition price at current market capitalization levels.
- However, **M&A optionality should be viewed as a speculative layer on top of the core operating story**, not the central thesis. Strategic buyers may be hesitant to engage until the company resolves its liquidity position, demonstrates consistent revenue growth, or secures long-term contracts that lock in demand. Additionally, any

sale process could be influenced by the overhang of outstanding warrants and the potential for shareholder dilution in a near-term financing.

- Still, in a scenario where Peraso executes on its defense and FWA ramp but faces difficulty funding its next phase of growth, a sale to a larger player could emerge as the most value-accretive outcome for both shareholders and customers. This optionality is worth keeping in mind as a potential catalyst, particularly over the next 12–18 months.

Valuation

- Our DCF model for PRSO forecasts an **average revenue growth of ~11.5% across FY'25, FY'26 and FY'27**, with **sales expected to rise from \$14.6M in FY'24 to \$18.3M in FY'27**. For the DCF calculation, we used a WACC of 13.4% and a perpetual growth rate of 3.0%. The cost of equity was estimated at 13.4%, incorporating an 5.0% small stock premium due to the company's market size. Based on these assumptions, we derived an equity value of ~\$10.0M and a fair value per share of \$1.61. We also conducted a comparable company analysis, applying an average **EV/Revenue multiple of 1.5x**. Using this multiple on the projected FY'26 sales of \$12.25M, we calculated an **enterprise value of ~\$18.36M**, which results in an **equity valuation of ~\$20.12M**, or \$3.23 per share. To calculate the final target price, we weighted the DCF and Comparable Company valuations in the ratio of 30:70, giving a **blended value per share of \$2.74**, which implies an **upside potential of ~140%** from the current share price of \$1.15.

Chart 5: PRSO P&L - Historical and Projected

Particulars [USD (000's)]	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25E	31-Dec-26E	31-Dec-27E
Revenues, net	\$14,868	\$13,749	\$14,573	\$11,931	\$12,258	\$18,382
<i>Revenue, net yoy growth %</i>		-7.5%	6.0%	-18.1%	2.7%	50.0%
Cost of revenues	\$8,915	\$11,877	\$7,040	\$5,033	\$4,474	\$5,790
<i>yoy growth %</i>		33.2%	-40.7%	-28.5%	-11.1%	29.4%
Gross profit	\$5,953	\$1,872	\$7,533	\$6,898	\$7,784	\$12,591
<i>gross margin %</i>	40.0%	13.6%	51.7%	57.8%	63.5%	68.5%
Operating expenses:						
Research and development	\$19,768	\$14,398	\$9,232	\$6,010	\$4,290	\$6,939
<i>% of sales</i>	133.0%	104.7%	63.4%	50.4%	35.0%	37.8%
Selling, general and administrative	\$11,108	\$8,505	\$8,673	\$5,203	\$3,065	\$4,595
<i>% of sales</i>	74.7%	61.9%	59.5%	43.6%	25.0%	25.0%
Severance and software license obligations			\$2,063	-\$165	\$123	\$184
<i>% of sales</i>	0.0%	0.0%	4.5%	-1.4%	1.0%	1.0%
Gain on license and asset sale	-\$2,557	-\$406	\$0	\$0	\$0	\$0
<i>% of sales</i>	-17.2%	-3.0%	0.0%	0.0%	0.0%	0.0%
Impairment of goodwill	\$9,946		\$0	\$0	\$0	\$0
<i>% of sales</i>	66.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating expenses	\$38,265	\$22,497	\$19,968	\$11,048	\$7,478	\$11,718
<i>Opex % of sales</i>	257.4%	163.6%	137.0%	92.6%	61.0%	63.8%
EBIT	-\$32,312	-\$20,625	-\$12,435	-\$4,150	\$306	\$873
<i>EBIT Margin %</i>	-217.3%	-150.0%	-85.3%	-34.8%	2.5%	4.8%
Other (expenses) income:						
Interest expense	-\$16	-\$21	\$0	\$0	\$0	\$0
<i>% of sales</i>	-0.1%	-0.2%	0.0%	0.0%	0.0%	0.0%
Change in fair value of warrant liabilities	\$1,595	\$3,493	\$1,693	\$6	\$0	\$0
<i>% of sales</i>	10.7%	25.4%	11.6%	5.0%	0.0%	0.0%
Financing cost - warrant issuance	-\$1,576	\$0	\$0	\$0	\$0	\$0
<i>% of sales</i>	-10.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Other income (expense), net	-\$89	\$358	\$14	-\$15	\$0	\$0
<i>% of sales</i>	-0.6%	2.6%	0.1%	-0.1%	0.0%	0.0%

Total other expense/income	-\$86	\$3,830	\$1,707	-\$9	\$0	\$0
EBT	-\$32,398	-\$16,795	-\$10,728	-\$4,159	\$306	\$873
Provision for income taxes			\$0.0	\$0.0	\$64.4	\$183.4
Net loss	-\$32,398	-\$16,795	-\$10,728	-\$4,159	\$242	\$690
Net profit margin %	-217.9%	-122.2%	-73.6%	-34.9%	2.0%	3.8%

Source: Intro act, From the Desk

Chart 6: Discounted Cash Flow

Particulars [USD ('000's)]	31-Dec-24	31-Dec-25E	31-Dec-26E	31-Dec-27E
EBIT	-\$12,435.0	-\$4,149.7	\$306.5	\$873.1
Less: Taxes	\$0.0	\$0.0	\$64.4	\$183.4
Tax-Adjusted EBIT	-\$12,435.0	-\$4,149.7	\$242.1	\$689.8
Add: D&A	\$3,945.0	\$713.2	\$858.1	\$919.1
Less: Increase in Working Capital	-\$23.0	-\$792.6	-\$6.5	-\$122.5
Less: Net Capital Expenditures	\$0.0	\$0.0	\$0.0	\$0.0
Less: Change in Other Assets & Liabilities	\$0.0	\$0.0	\$0.0	\$0.0
Unlevered Free Cashflow	-\$8,513.0	-\$4,229.2	\$1,093.6	\$1,486.4
P.V. of Unlevered Free Cashflow		-\$3,730.8	\$851.1	\$1,020.4
Terminal Value				\$14,777.8

Source: Intro act, From the Desk

Chart 7: WACC Calculations and Equity Value

WACC Calculations		Equity Value	
Risk Free Rate	4.4%	Perpetual growth rate	3.0%
Cost of Debt	4.0%	Present value of future cash flows	-\$1,859
Corporate Tax Rate	21.0%	Terminal value ('000)	\$14,778
Post-Tax Cost of Debt	3.2%	PV of terminal value	\$10,144
Beta applied	0.66	Enterprise Value (DCF)	\$8,285.1
Expected Equity Risk Premium	6.0%	Less: Borrowings	\$0
Beta * Equity Risk Premium	4.0%	Add: Cash ('000)	\$1,761
Small Stock Premium	5.0%	Equity Value (DCF) ('000)	\$10,046
Cost of Equity	13.4%	No. of Share O/s ('000s)	6,230
Debt / (Debt + Equity)	0.0%	Value per share (DCF)	\$1.61
Equity / (Debt + Equity)	100.0%	Value per share (Mix 30:70)	\$2.74
WACC	13.4%	Current Share Price	\$1.15
		Upside Potential	139%
		Relative-EV/Sales	
		EV/Sales Multiple (x)	1.5x
		Sales (FY26) ('000)	\$12,258
		Enterprise value ('000) (Comps)	\$18,360
		Equity Valuation ('000) (Comps)	\$20,121
		Value per share (Comps)	\$3.23

Source: Intro act, From the Desk

Chart 8: Public Comps

Company	Ticker	Price (\$)	EV (\$M)	Mkt. Cap (\$M)	Valuation (x)		EV/Sales (x)				P/E (x)	
					P/Sales (x)	EV/Sales (x)	Dec-25	Dec-26	Dec-27	Dec-25	Dec-26	Dec-27
Qualcomm	QCOM	158.0	177,491.9	174,692.7	4.0x	4.1x	4.1x	4.0x	3.8x	13.4x	13.1x	12.5x
MediaTek	2454-TW	45.0	65,842.1	72,114.1	3.8x	3.5x	3.5x	3.1x	2.5x	20.9x	17.7x	14.3x
SEALSQ	LAES	3.1	25.7	324.0	7.4x	0.7x	0.5x	0.3x	-	-	-	-
Magnachip Semiconductor	MX	3.9	40.7	145.0	0.5x	0.2x	0.2x	0.2x	-	-	-	-
Techpoint JDR	6697-JP	17.6	261.5	137.3	-	-	-	-	-	-	-	-
Airgain	AIRG	4.2	41.3	48.0	0.9x	0.8x	0.8x	0.7x	-	-	18.0x	-
Pixelworks	PXLW	8.9	74.9	45.0	1.3x	2.5x	2.4x	1.9x	-	-	-	-
Soliton Devices	SODI	14.2	28.5	29.6	2.8x	2.8x	-	-	-	-	-	-
Fingerprint Cards B	FING.B-SE	2.5	10.4	281.3	0.2x	0.6x	-	-	-	-	-	-
Guerrilla RF	GUER	1.6	41.1	16.5	0.6x	2.2x	-	-	-	-	-	-
SemiLEDs	LEDS	2.1	16.6	14.9	0.4x	0.5x	-	-	-	-	-	-
BeamWave B	BEAMMW.B-SE	0.4	9.7	11.5	117.2x	108.6x	29.4x	3.1x	-	-	-	-
Energous	WATT	9.4	2.4	9.6	4.4x	0.8x	0.2x	0.1x	-	-	-	-
Phoenitron	8066-HK	0.0	7.8	6.9	3.2x	2.8x	-	-	-	-	-	-
Luxpia	092590-KR	0.6	7.3	4.7	0.3x	0.5x	-	-	-	-	-	-
Spectra7 Microsystems	SEV-CA	0.0	0.6	2.5	-	-	-	-	-	-	-	-
Lightning	LIGR-SE	0.1	1.4	1.1	0.3x	0.4x	-	-	-	-	-	-
Peraso	PRSO	0.8	(0.6)	3.9	0.4x	0.3x	0.3x	0.2x	-	-	-	-
Average					9.22	8.20	4.60	1.50	-	-	-	-
Median					1.07	0.80	0.83	0.68	-	-	-	-

Source: Intro act, From the Desk.

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